

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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Commercial and Tax Information, Tientsin

1. In January 1953 the Industrial and Commercial Administration of Tientsin received orders to begin registering commercial firms in that city. In January registration of commercial firms was being conducted throughout China in connection with the economic reconstruction program.
2. In January the Tientsin Tax Bureau began revising its tax schedules. A 35 percent anti-America and aid Korea surtax was to be collected in addition to the normal business taxes, land taxes, slaughter house taxes, income taxes, entertainment taxes and license taxes. In the new schedules herb medicines, rattan ware, and other finished products were taxable. Although no taxes were levied on salted meat, fish, seafood, and other food commodities, a circulation tax was to be collected if these items were shipped to another locality for sale. Import duties on electrical supplies, scientific instruments, metalware, and chemicals were increased by 5 to 10 percent.
3. In late February over 90 percent of the daily necessities on the market in Tientsin were produced in China or Communist bloc countries. British and American goods were rarely seen and they were about to disappear from the market completely. The origin of several common commodities sold in Tientsin was as follows:
 - a. Cotton cloth. About 60 percent of the cotton cloth on the market was produced in China and 40 percent was produced in Poland and the Soviet Union.

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- b. Dye-stuffs. About 55 percent of the dye-stuffs was produced in the Soviet Union, 30 percent in Eastern Europe, and 15 percent in China.
- c. Steel plates, bars, pipe, and steel building materials. About 40 percent of these supplies were produced in Czechoslovakia, 35 percent in Eastern Germany and 25 percent in China.
- d. Aircraft fuel, automobiles, film, saw blades, gunmetal, chemicals, and scientific and communications equipment. These supplies were imported primarily from the Soviet Union and Eastern Europe. However, these countries could not meet the demand and China had to import these items from non-Communist countries.

Establishment of All China Materiel Allocation Bureau

- 4. In late February the Central Committee of Finance and Economics was planning to establish an All-China Materiel Allocation Bureau (Ch'uan Kuo Wu Tzu Tiao P'ei Chu, 0356/0948/3670/6327/6148/6792/1444) to control the flow of military supplies and daily necessities throughout China. The plan was to be put into effect by June 1953. Under the plan, cooperatives in cities, hsien, towns and villages would be given a quota of supplies to obtain. Government companies would be charged with gathering the supplies for the cooperatives.

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